(a) whether it is a fact that the Administrative Price System is still being used to fix the consumer sale price of gas in the country;

(b) if so, the details in this regard and the reasons for observing the above practice by Government;

(c) whether it is also a fact that on the basis of the above practice the price of gas has been raised upto 20 per cent in the recent past; and

(d) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The gas produced from the existing fields of ONGC and OIL, given to them on nomination basis, is covered under the Administered Pricing Mechanism and the Government fixes the price of this gas. APM gas is being supplied to the priority sectors, viz., Power and fertilizer sectors; small scale consumers with allocation upto 0.05 MMSCMD; and specific end users committed under the court orders. The remaining non-APM gas is supplied to different consumers at market determined prices.

(c) and (d) The gas pricing order of 20.6.05, which revised the APM gas price effective 1.7.05, envisages that the APM gas price for consumers other than the power and fertilizer sectors would be pogressively increased over the next 3 to 5 years to reflect the market price. In line with this decision, APM gas price for such consumers was increased by 20% from Rs. 3200/thousand standard cubic metre (MSCM) to Rs. 3840/ MSCM w.e.f 06.06.2006. For such consumers in the North-Eastern region, the price was increased from Rs. 1920/MSCM to Rs. 2304/MSCM w.e.f 06.06.2006.

Empowerment of Oil Companies to Fix Oil Prices

†1584. MS. SUSHILA TIRIYA:
SHRI MOTILAL VORA:
SHRIMATI PREMA CARIAPPA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

†Original notice of Question was received in Hindi.

(a) the quantum of loss which was being incurred by oil companies before the price rise and the amount of loss after increasing the price;

(b) whether Government propose to empower the oil companies to fix as well as increase the prices of their products;

(c) if so, the reasons therefore; and

(d) by when, the necessary orders will be issued in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL):

(a) The Profit After Tax (PAT) of the oil marketing companies (OMCs) for the year 2005-06 and 2006-07 (April-June' 2006) is given below:—

(Rs. in crore)

Oil Companies	PAT 2005-06	PAT 2006-07 (April-June'2006)
IOC	4915	1780.52
BPC	130*	-677.30
HPC	406	-607.67
IBP	12	-458.70

*Unaudited.

(b) to (d) The international oil prices continue to be at a very high level now. The current situation is unprecedented and therefore Government have approved a number of measures based on the principle of equitable burden sharing amongst the three stakeholders, namely, the consumers, the PSU oil companies and the Government, to tackle this crisis. The total burden of escalated international prices of crude oil is estimated at Rs. 73,500 crores for the current year. Government along with oil companies have decided to absorb 87.5% of this burden leaving only the balance 12.5% to be borne by the consumers by way of increase in petrol and diesel prices. Despite unprecedented rise in international prices, Government did not increase the prices of PDS kerosene and LPG to protect the interests of the common man and the weaker sections of society. As part of these measures, Government have permitted autonomous adjustment in fuel prices by PSU Oil

Marketing Companies every month. The Oil Marketing Companies have so far not effected any adjustments in prices since last price increase on 6th June 2006.

New LPG Agency in Raibareilly (U.P.)

1585. SHRI BHAGWATI SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is no LPG agency in the Poore-Pandey area of Raibareilly district of Uttar Pradesh:

(b) whether it is also a fact that the LPG agency presently operating from Lalganj, Raibareilly is quite far-away and it is very difficult for the consumers to get the refills;

(c) if so, whether there is any proposal to establish a gas agency in Poore-Pandey locality in view of the consumer potential in the area;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) At present, there is no LPG agency in the Poore-Pandey area of Raibareilly district of Uttar Pradesh. Poore-Pandey falls in the trading area of two LPG distributors located at Sarani Town (distance 6 kms.) & Lalganj (distance 15 kms.) of Public Sector Oil Marketing Companies (OMCs) and both the distributors are catering to the demand of the genuine LPG customers of the area.

(c) to (e) At present, there is no proposal to set up a LPG distributorship at Poore-Pandey area of Raibareilly, as both the existing distributorships supplying *inter-alia* to this area are operating much below the refill ceilling limits.

LPG distributorships are set up by OMCs at locations on commercial considerations after technical evaluation/survey.